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Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 SP-02 USIA-06 AID-05 EB-08
NSC-05 SS-15 STR-05 OMB-01 CEA-01 CIAE-00 COME-00
FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 L-03 H-01 PA-01 PRS-01 IO-13 NEA-10 CU-04
/112 W
----------027630 020544Z /12
P R 020407Z DEC 77
FM AMEMBASSY MANILA
TO SECSTATE WASHDC PRIORITY 8630
INFO AMEMBASSY JAKARTA

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USADB

FOR NAC AGENCIES

E.O. 11652: NA
TAGS: EAID, EFIN, ID
SUBJECT: PROPOSED ADB TECHNICAL ASSISTANCE FOR UNIVERSITY OF HASANUDDIN PROJECT (INDONESIA)

SUMMARY: ADB MANAGEMENT PROPOSED $205,000 EQUIVALENT GRANT TO INDONESIA TO FINANCE FOREX COST OF TECHNICAL SERVICES TO PREPARE PROJECT FOR DEVELOPING AND UPGRADING TECHNICAL FACULTIES OF REGIONAL UNIVERSITY OF HASANUDDIN (UNHAS) AT UJUNG PANDANG IN SOUTH SULAWESI, NORTHEAST OF JAVA. UNHAS IS SOLE TECHNICAL TRANING RESOURCE BEYOND SECONDARY SCHOOL IN SULAWESI WHERE DEMAND FOR TECHNICAL GRADUATES IN AGRI-CULTURE, ENGINEERING, SCIENCES AND MEDICINE IS NECESSARY FOR DIVERSIFICATION OF ECONOMY. TA WILL DETERMINE TECHNICAL AND FINANCIAL FEASIBILITY OF DEVELOPING TECHNICAL FACULTIES ON NEW 220 HA. CAMPUS SITE AWAY FROM CONSTRAINTS OF BUSINESS AND RESIDENTIAL AREA AS WELL AS APPROPRIATENESS OF ACADEMIC
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INNOVATIONS REQUIRED TO INCREASE POTENTIAL ROLE OF UNHAS IN REGIONAL DEVELOPMENT. PLAN CALLS FOR 7,500 STUDENTS IN FIRST PHASE OF DEVELOPMENT WITH ABOUT 2,000 IN RESIDENCE. USADB SUPPORTS PROPOSED TA GRANT AND RECOMMENDS FAVORABLE NAC ACTION. END SUMMARY.

1. ADB DOC. R136-77 WITH ATTACHMENT DESCRIBING PROPPSED

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GRANT POUCHED ADDRESSEES NOVEMBER 28. BOARD CONSIDERATION SCHEDULED DECEMBER 15, 1977.

2. ADB MANAGEMENT PROPOSING $205,000 GRANT TO INDONESIA FOR TECHNICAL SERVICES TO DEVELOP AND UPGRAGE TECHNICAL FACULTIES OF UNIVERSITY OF HASANUDDIN IN SOUTH SULAWESI. PROCEEDS WILL FINANCE FOREX COST OF CONSULTANTS SERVICES WHO WILL BE ENGAGED TO PREPARE IN DETAIL A PROJECT PROPOSAL FOR DEVELOPMENT OF IMPROVED AND INTEGRATED CAMPUS OF UNHAS IN NEW SITE OUTSIDE UJUNG PANDANG. INDONESIA IS RECIPIENT OF TA GRANT AND DIRECTORATE GENERAL OF HIGHER EDUCATION (DGHE) IS EXECUTING AGENCY.

3. SINCE 1972 INDONESIA RESPONSIBILITIES AMONG SEVERAL DEPARTMENTS AND AGENCIES FOR DEVELOPMENT AND IMPLEMENTATION OF ITS EDUCATION SYSTEM HAS BEEN WELL DEFINED WITH VESTED RESPONSIBILITY FOR COORDINATION OF ENTIRE SYSTEM IN MINISTRY OF EDUCATION AND CULTURE (MOEC). IT THEN INITIATED PROGRAM OF UPGRADING SELECTED INSTITUTIONS IN PRIMARY, SECONDARY AND TERTIARY LEVELS. WITHIN LATTER CATEGORY, FIVE UNIVERSITIES LOCATED IN JAVA WERE DESIGNED AS CENTERS OF EXCELLENCE AND SUBSEQUENTLY UPGRADED. HOWEVER, IN ITS DESIRE TO INCREASE QUALITY OF TRAINING AND TO REDUCE ATTRITION RATES, GOVERNMENT HAS TURNED PRIORITY ATTENTION TO OTHER ELEMENTS OF UNIVERSITY
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SYSTEM SUCH AS UNHAS, LOCATED IN LARGEST OF FOUR PROVINCES ON SULAWESI ISLAND. IT SERVES AN AREA WITH A POPULATION OF 5.5 MILLION OF WHICH 82 PERCENT LIVE IN RURAL AREAS. AGRICULTURE AND FISHING ARE PRIMARY SOURCES OF LIVLIHOOD WITH INDUSTRY A RELATIVELY NEW, BUT INCREASINGLY IMPORTANT SECTOR. CURRENTLY UNIVERSITY SYSTEM CALLS FOR 5 YEARS AND 7. YEARS FOR B.A. AND M.A. DEGREES RESPECTIVELY. MODIFIED CURRICULUM WILL ALTER THIS TO 4 AND 6 YEARS RESPECTIVELY AND ELIMINATION OF CURRENT 3 YEAR PROGRAM FOR YOUNG DEGREE WITHOUT FORMAL QUALIFICATIONS FOR STUDENTS. ANNUAL DEMAND FOR UNIVERSITY GRADUATES IN SOUTH SULAWESI IS ESTIMATED AT 2,800 IN PROFESSIONAL LABOR FORCE OF 42,000 WHERE LESS THAN 6 PERCENT OF POSITIONS ARE HELD BY PERSONS ENROLLED IN PRIVATE AND PUBLIC UNIVERSITIES IN SOUTH SULAWESI HAVE AN INTERNAL EFFICIENCY, I.E., RATION OF STUDENTS GRADUATING TO TOTAL ENROLLMENT, OF 3 PERCENT. THIS MEANS THAT ABOUT 1 OUT OF 6 STUDENTS WHO BEGIN UNIVERSITY TRAINING COMPLETED IT IN 1975, UP FROM 1 IN 12 IN 1968. AT THIS

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FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
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FM AMEMBASSY MANILA
TO SECSTATE WASHDC PRIORITY 8631
INFO AMEMBASSY JAKARTA

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LEVEL THERE WILLBE CHRONIC UNDERSUPPLY OF
UNIVERSITY GRADUATES UNLESS ACTION IS TAKEN TI IMPROVE
INTERNAL EFFIENCY. UNHAS TARGET IS FOR AT LEAST 15
PERCENT EFFICIENCY OR ACHIEVEMENT OF GRADUATION RATE OF
3 IN 4 WHO BEGIN UNIVERSITY TRAINING. CURRENTLY UNHAS
HAS ABOUT 1,700 STAFF AND 7,000 STUDENTS. ECONOMICS
AND ENGINEERING FACULTIES EACH ACCOUNT FOR 20 PERCENT
OF STUDENT ENROLLMENT, WHILE AGRICULTURE AND ANNUAL
HUSBANDRY ACCOUNT FOR TOTAL OF 15 PERCENT. MEDICINE,
ON OTHER HAND, ACCOUNTS FOR 13 PERCENT OF STUDENTS BUT
ALMOST ONE-THIRD OF FACULTY.

4. IN UPGRADING UNHAS GOVERNMENT SEEKS TO IMPROVE BOTH
UNIVERSITY ENVIRONMENT AND CIRRICULUM TO ENHANCE
GRADUATION RATION, TO PROVIDE BETTER REPRESENTATION OF
RURAL STUDENTS53 TO CREATE SPCIALIZED FACULTIES WITH
APPROPRIATE EQUIPMENT, TO INTEGRATE FACULTY PRO-
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GRAMS AND TO PROVIDE A NUMBER OF SPECIALIZED PROFESSIONAL
MANPOWER TRAINING REQUIREMENTS FOR FOUR PROVINCES

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OF SULAWESI. NEW SITE OF 220 HA. FOR TECHNICAL FACULTIES SELECTED ON BASIS OF MASTER PLAN FOR UNIVERSITY SYSTEM IN 1975. CONSULTANTS ARE REQUIRED TO PREPARE DETAILED PROJECT PROPOSALS FOR DEVELOPMENT AND UPGRADING UNHAS. CONSULTS WILL REVIEW NEW ACADEMIC PLANS PREPARED BY UNIVERSITY TO DETERMINE ITS SUITABILITY TO MEET PRESENT AND FUTURE NEEDS OF HIGHER EDUCATION IN SOUTH SULAWESI. FIRST PHASE OF DEVELOPMENT WILL ACCOMMODATE 7,500 STUDENTS OF WHICH 2,000 WILL BE IN RESIDENCE. DESIGN ALLOWS FOR EXPANSION UP TO 15,000 STUDENTS. AN ESTIMATED $15 MILLION IN FOREX MAY BE NEEDED TO FINANCE CONSTRUCTION PHASE OF PROJECT, HOWEVER, DETAILED STUDY TO BE PROVIDED UNDER TA WILL BE BASIS FOR MORE ACCURATE COST ESTIMATE.

5. TOTAL COST OF PROPOSED TA IS $229,000 OF WHICH BANK HAS BEEN REQUESTED TO FINANCE $205,000 IN FOREX. GOVERNMENT WILL PROVIDE $24,000 FOR SERVICES, FACILITIES AND EQUIPMENT INCLUDING LOCAL OFFICE AND CLERICAL SUPPORT, INTERNAL TRAVEL FOR EXPERTS AND COUNTERPART AND OTHER SUPPORT STAFF. SIX CONCUTANTS WILL WORK AN AVERAGE TWO MONTHS IN FIELD AND ADDITIONAL THREE WEEKS TO PREPARE FINALWEPORT. AN ADDITIONAL FOUR AND A HALF MAN-MONTHS OF EXPERTISE WILL BE UTILIZED AS NEEDED TO AUGMENT BROAD-BASED EXPERIENCE OF CORE TEAM. TA PROPOSAL WILL BE INITIALLY ON GRANT BASIS. HOWEVER, IT WILL BE SUBJECT TO REIMBURSEMENT ARRANGEMENTS SET FORTH IN BANK GUIDANCE. IN EVENT TA RESULTS IN LOAN FROM BANK, PORTION OF INITIAL GRANT WHICH EXCEEDS $150,000 MAY BE CHARGED AGAINST AND RECOVERED FROM SUCH LOAN.

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6. CONSULTANTS WILL BE ENGAGED TO PREPARE DETAILED PROJECT PROPOSAL FOR DEVELOPMENT AND UPGRADING OF UNHAS ON NEW SITE ON OUTSKIRTS OF UJUNG PANDANG. IN ADDITION TO NEW PHYSICAL PLANT, EXPERTS ARE TO STUDY NEW ACADEMIC PLAN PREPARED BY UNIVERSITY AND TO REPORT ON SUITABILITY OF PLAN TO MEET PRESENT AND FUTURE NEEDS OF HIGHER EDUCATION IN SOUTH SULAWESI. PRELIMINARY PLAN HAS BEEN PREPARED FOR CAMPUS BY INTERNATIONAL CONSULTING FIRM. BANK'S CONSULTANTS ARE REQUIRED TO TEST PROJECTIONS AND VERIFY THAT PROPOSED PLAN PROVIDES FOR ACHIEVEMENT OF GOALS OF NEW ACADEMIC PLAN. CONSULTANTS TO BE ENGAGED FOR PROPOSED TA INCLUDE SPECIALIST IN HIGHER EDUCATION, EDUCATION ARCHITECT, EDUCATION ECONOMIST, AGRICULTURAL, MEDICAL AND ENGINEERING EDUCATION SPECIALISTS. BANK'S GUIDELINES FOR USES OF CONSULTANTS WILL BE USED IN RECRUITING CONSULTANTS.

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7. DIRECTORATE GENERAL OF HIGHER EDUCATION (DGHE) IN JAKARTA, EXECUTING AGENCY FOR PROPOSED TA, HAS EXPERIENCE IN IMPLEMENTING EXTERNALLY FINANCED PROJECTS. CURRENTLY IT IS EXECUTING AGENCY FOR SURABAYA INSTITUTE OF TECHNOLOGY PROJECT FINANCED BY BANK. DGHE WILL ESTABLISH ADEQUATELY STAFFED PROJECT OFFICE IN UJUNG PANDANG IN ORDER TO EXPEDITE IMPLEMENTATION OF PROJECT.

8. USADB COMMENT: PROPOSED TA IS ONE OF A NUMBER OF EXTERNALLY FINANCED STUDIES UNDERTAKEN BY INDONESIA TO HELP IT RATIONALIZE ITS EDUCATION SYSTEM. PROPOSED TA FOCUSES ON OUTER ISLAND DEVELOPMENT IN INCREASINGLY IMPORTANT AREA OF PROFESSIONAL TECHNICAL EDUCATION. BANK STAFF PLANS FOR ONE OF ITS OWN EXPERTS TO MEET WITH CONSULTANTS AND GOVERNMENT SHORTLY AFTER ARRIVAL OF CONSULTANTS ON-SITE TO DISCUSS FINDINGS ON ADEQUACY OF UNHAS CURRICULUM PLAN AND TO DETERMINE ITS APPROPRIATENESS FOR REORIENTING UNIVERSITY EDUCATION TO MEET PRACTICAL DEVELOPMENT NEEDS. MAJOR PROBLEM WITH LIMITED OFFICIAL USE

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CURRENT UNIVERSITY EDUCATION IS HIGH ATTRITION RATE, I.E., 1 IN 6 WHO BEGIN EVER COMPLETE EDUCATION AND LACK OF PRACTICAL TECHNICAL THRUST REQUIRED IN DEVELOPING ECONOMY. TARGET IS FOR REORIENTATION OF CURRICULUM AND ACHIEVEMENT OF 75 PERCENT COMPLETION RATE FOR STUDENTS WHO BEGIN UNIVERSITY TRAINING. ONCE DETERMINATION IS MADE, CONSULTANTS WILL PRO EED WITH ASSESSMENT OF PHYSICAL PLANT AND DEVELOPMENT OF FINAL PROJECT PROPOSAL. USADB BELIEVES THIS EARLY INTERVENTION AS OUTLINED ABOVE AND CONCOMITANT DETERMINATION OF MANPOWER NEEDS MERITS COMMENT IN BOARD MEETING TO REINFORCE IMPORTANCE THESE ACTION TO SUCCESS OF ULTIMATE PROJECT. USADB SUPPORTS PROPOSED TA AND RECOMMENDS FAVORABLE NAC ACTION.

9. REQUEST AMEMBASSY JAKARTA COMMENTS FOR NAC AGENCIES, INFO USADB MANILA, PURSUANT TO STATE 119795 DATED JULY 3, 1972.
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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
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Status: NATIVE
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TAGS: EAID, EFIN, ID
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/2eef20fb-c188-dd11-92da-001cc4696bcc
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